

CLASSIFIED UTILITIES

WASHINGTON STATE
AUDITOR'S OFFICE

ANNUAL REPORT

(Name of District)

MCAG No.

Submitted pursuant to RCW 43.09.200

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED _____ 19 _____

Certified correct this _____ day of _____, 19 _____

to the best of my knowledge and belief:

NAME _____

TITLE _____

PREPARED BY _____

TELEPHONE NUMBER _____

**CLASSIFIED UTILITIES
REPORTING PACKAGE**

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State Auditor's Office

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MCAG NUMBERS

Your entity MCAG identification number is below. Identify your number and use in the upper left hand corner of the report forms.

MCAG

CLASSIFIED PUBLIC UTILITY DISTRICTS

0612	Asotin County PUD No. 1
1768	Benton County PUD
1769	Chelan County PUD
1770	Clallam County PUD
1772	Clark County PUD
0803	Conservation and Renewable Energy (CARE) System
1774	Cowlitz County PUD
1777	Douglas County PUD
1778	Ferry County PUD
1779	Franklin County PUD
0777	Grand Coulee Hydro Electric Authority
1780	Grant County PUD No. 2
1781	Grays Harbor County PUD
1782	Jefferson County PUD
1783	Kitsap County PUD
1784	Kittitas County PUD
1785	Klickitat County PUD
1787	Lewis County PUD
1789	Mason County PUD No. 1
1791	Mason County PUD No. 3
1792	Okanogan County PUD
1793	Pacific County PUD No. 2
1795	Pend Oreille County PUD
1797	Skagit County PUD
1798	Skamania County PUD
1800	Snohomish County PUD
1802	Stevens County PUD
1804	Wahkiakum County PUD
2662	Washington Public Power Supply System
1806	Whatcom County PUD

CLASSIFIED SEWER DISTRICTS

2122	Beacon Hill Sewer District
2123	Douglas County Sewer District No. 1
2134	Eastgate Sewer District
0273	Hazel Dell Sewer District
2160	Kitsap Sewer District No. 5
2176	Lake Stevens Sewer District
2181	Liberty Lake Sewer District No. 1
1649	Metropolitan Sewer Utility
2133	Midway Sewer District
2143	NE Sammamish Sewer and Water District
2177	Olympus Terrace Sewer District
2141	Rainier Vista Sewer District
2142	Shoreline Wastewater Management District
2170	S.W. Suburban Sewer District
2147	Val Vue Sewer District

CLASSIFIED WATER DISTRICTS

2303	Alderwood Water/Sewer District
2268	Annapolis Water District
2328	Birch Bay Water and Sewer District
2686	Cedar River Water and Sewer District
2684	Covington Water District
0727	Cross Valley Water District
2199	East Wenatchee Water District
2273	Hansville Water District
2685	King County Water and Sewer District No. 107
2687	King County Water District No. 111
2682	King County Water District No. 125
2699	King County Water District No. 20
2702	King County Water District No. 42
2705	King County Water District No. 49
2240	King County Water District No. 75
2252	King County Water District No. 90
2139	Lakehaven Utility District
2296	Lakewood Water District
2277	Manchester Water District
2461	Mukilteo Water and Sewer District
2140	NE Lake Washington Sewer/Water District
2267	North Perry Avenue Water District
2314	Olympic View Water and Sewer District
2325	Pt. Roberts Water District No. 4
2246	Sammamish Plateau Water and Sewer District
2260	Silverdale Water District No. 16
2308	Silver Lake Water District
0607	Soos Creek Water and Sewer District
0666	Spokane County Water District No. 3
1596	Vera Water and Power
2330	Whatcom County Water and Sewer District No. 10
2316	Whitworth Water District No. 2
2683	Woodinville Water District

CLASSIFIED IRRIGATION DISTRICTS

1544	Badger Mountain Irrigation District
1538	Columbia Irrigation District
1600	Consolidated Irrigation District No. 19
1536	East Columbia Basin Irrigation District
1570	Greater Wenatchee Irrigation District
1541	Kennewick Irrigation District
1576	Kittitas Reclamation District
1555	Lake Chelan Reclamation District
1574	Moses Lake Irrigation and Rehabilitation District
1587	Oroville-Tonasket Irrigation District
1575	Quincy-Columbia Basin Irrigation District
1623	Roza Irrigation District
1573	South Columbia Basin Irrigation District
1626	Sunnyside Valley Irrigation District
1558	Wenatchee Reclamation District
1631	Yakima Tieton Irrigation District

BALANCE SHEET
(STATEMENT A-3A AND A-3B)
INSTRUCTIONS

The information for this statement should be taken from the district general ledger after closing entries are posted. Prior year information (optional) should be taken from the prior year's balance sheet.

The balance sheet should include those *Budgeting, Accounting and Reporting System* (BARS) general ledger accounts used by your district or those general ledger accounts used by your district under FERC, NARUC, or other uniform system of accounts.

Two blank formats for balance sheets are provided on the following pages. The first one (form A-3A) should be used by any district which uses NARUC, FERC, or other uniform system of accounts. The second one (form A-3B) should be used by any utility using BARS general ledger accounts.

1. The numbers in parentheses on Statement A-3A are the account numbers used for the general ledger accounts of the NARUC and FERC Uniform Systems of Accounts, except that account 123, 146, 201, 223, and 234 have been renamed to apply to local governments.
2. The titles on Statement A-3B are taken from the titles of BARS accounts at the appropriate level of detail for reporting. In some instances, blanks are provided rather than listing all the possible accounts. Use these blank spaces as necessary. In BARS, all assets and liabilities are reported at the BASUB level. Fund equity should be reported in four accounts:

Contributed Capital, net of amortization	271-274
Retained Earnings:	
Reserved	285
Unreserved Designated	287
Unreserved Undesignated	288

3. The left hand column should be used for current year information and the right-hand column for the previous year (optional).

If you have prepared a detailed balance sheet, it is not necessary to use our forms.

In June of 1991, the Governmental Accounting Standards Board (GASB) issued its Statement 14 which defines the financial reporting entity. The Statement is effective for financial statements for periods beginning after December 15, 1992, and requires governmental entities to evaluate their relationships with other organizations (both governmental and nongovernmental).

Application of the Statement may result in the addition of a *Component Units* column (or columns) in the financial statements of the district. The following forms do not contain provisions for component units. If your district has a component unit as defined by GASB Statement 14 you will need to make the appropriate modifications to your statements. The Category 1 BARS manual discusses the reporting entity and potential component units in Part 3, Chapter 12 and provides examples of financial statements which include component units. For further information, refer to the BARS manual and GASB Statement 14.

(District Name)
(COMPARATIVE)* BALANCE SHEET
 December 31, 19 ____ and 19 ____*

ASSETS AND OTHER DEBITS

19 ____

19 ____*

Utility Plant

Utility Plant (101-106, 114)	\$ _____	\$ _____
Construction Work in Progress (107)	_____	_____
Less Depreciation, Amortization and Depletion (108, 111, 115)	(_____)	(_____)
_____	_____	_____
Net Utility Plant	_____	_____

Other Property and Investments

Non-utility Property (121)	_____	_____
Less Depreciation and Amortization (122)	(_____)	(_____)
Advances to Municipality (123)	_____	_____
Other Investments (124)	_____	_____
Special Funds (125-128)	_____	_____
_____	_____	_____
Total Other Property and Investments	_____	_____

Current and Accrued Assets

Cash (131)	_____	_____
Special Deposits (132-134)	_____	_____
Working Fund (135)	_____	_____
Temporary Cash Investments (136)	_____	_____
Notes Receivable (141)	_____	_____
Accounts Receivable-Customer and Other (142-143)	_____	_____
Less Uncollectible Accounts (144)	(_____)	(_____)
Receivables from Municipality (145-146)	_____	_____
Materials and Supplies (151-164)	_____	_____
Prepayments and Advances (165-167)	_____	_____
Other (171-174)	_____	_____
Total Current and Accrued Assets	_____	_____

Deferred Debits

Unamortized Debt Expenses (181)	_____	_____
Extraordinary Property Losses (182)	_____	_____
Preliminary Survey and Investigation Charges (183)	_____	_____
Clearing Accounts (184)	_____	_____
Other (185-191)	_____	_____
_____	_____	_____
Total Deferred Debits	_____	_____

TOTAL ASSETS AND OTHER DEBITS

\$ _____ \$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

LIABILITIES AND OTHER CREDITS

19 _____

19 ____*

Proprietary Capital

Investment of Municipality (201-214)

\$ _____

\$ _____

Retained Earnings (215-216)

Total Proprietary Capital

Long-Term Debt

Bonds (221-222)

Advances from Municipality (223)

Other Long-Term Debt (224)

Unamortized Premium (Discount) (225-226)

Total Long-Term Debt

Other Noncurrent Liabilities

Capital Lease (227)

Accumulated Provisions (228-229):

Property Insurance

Injuries and Damages

Pension and Benefits

Other _____

Total Other Noncurrent Liabilities

Current and Accrued Liabilities

Warrants Payable (231)

Accounts Payable (232)

Payables to Municipality (233-234)

Customer Deposits (235)

Taxes Accrued (236)

Interest Accrued (237)

Matured Long-Term Debt (239)

Matured Interest (240)

Other (241-243)

Total Current and Accrued Liabilities

Deferred Credits

Customer Advances for Construction (252)

Other (253-257)

Total Deferred Credits

TOTAL LIABILITIES AND OTHER CREDITS

\$ _____

\$ _____

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

(District Name)
(COMPARATIVE)* BALANCE SHEET
 December 31, 19 ____ and 19 ____*

<u>ASSETS AND OTHER DEBITS</u>	19 ____	19 ____*
Current Assets:		
Cash and Cash Equivalents	\$ _____	\$ _____
Deposits with Fiscal Agents/Trustees	_____	_____
Temporary Investments, (at cost)	_____	_____
Receivables (Net):	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Inventories	_____	_____
Prepayments	_____	_____
Other Current Assets	_____	_____
TOTAL CURRENT ASSETS	_____	_____
Restricted Assets:		
Debt Service, Deposits, Replacements	_____	_____
Construction Accounts	_____	_____
TOTAL RESTRICTED ASSETS	_____	_____
Long-Term Assets:		
Deferred Compensation	_____	_____
_____	_____	_____
_____	_____	_____
Fixed Assets**		
Land	_____	_____
Plant	_____	_____
Capital Leases	_____	_____
Machinery and Equipment	_____	_____
Construction in Progress	_____	_____
_____	_____	_____
Less Accumulated Depreciation	(_____)	(_____)
Total Fixed Assets (Net)	_____	_____
TOTAL LONG-TERM ASSETS	_____	_____
TOTAL ASSETS AND OTHER DEBITS	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

**Presentation of details is optional. See Note 3.

MCAG No. _____

(District Name)
(COMPARATIVE)* BALANCE SHEET
December 31, 19 ____ and 19 ____*

Statement A-3B

Page 2 of 2

<u>LIABILITIES AND OTHER CREDITS</u>	19 ____	19 ____*
Current Liabilities:		
Warrants Payable	\$ _____	\$ _____
Accounts/Vouchers Payable	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL CURRENT LIABILITIES	_____	_____
Payables from Restricted Assets:		
Debt Principal	_____	_____
Debt Interest	_____	_____
Deposits and Other Payables	_____	_____
TOTAL PAYABLES FROM RESTRICTED ASSETS		
Long-Term Liabilities:		
Compensated Absences		
Deferred Compensation	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL LONG-TERM LIABILITIES	_____	_____
TOTAL LIABILITIES	_____	_____
<u>FUND EQUITY</u>		
Contributed Capital, Net of Amortization	_____	_____
Retained Earnings:		
Reserved	_____	_____
Unreserved Designated	_____	_____
Unreserved Undesignated	_____	_____
TOTAL EQUITY	_____	_____
TOTAL LIABILITIES AND EQUITY	\$ _____	\$ _____

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SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

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OPERATING STATEMENTS
(STATEMENT D3, D4 AND D5)
INSTRUCTIONS

The information for this statement should be taken from the district's revenue and expense ledgers after year-end adjustments are posted but before closing the books. Prior year information (optional) should be taken from the prior year's income statement.

Two alternative formats for presenting revenues, expenses, and changes in equity are provided on the following pages. The first option (Statements D3 and D4) should be used by any district which uses NARUC, FERC, or other uniform system of accounts. The second (Statement D5) should be used by any utility using the *Budgeting, Accounting and Reporting System* (BARS) chart of accounts.

1. The numbers in parentheses on Statements D3 and D4 are the account numbers used for the revenue and expense control accounts of the NARUC and FERC Uniform Systems of Accounts.
2. The titles on Statement D5 are taken from the combining statement of revenues, expenses and changes in equity for proprietary funds contained in the Category 1 BARS manual. For proper classification refer to Part 1, Chapters 6 and 7 and Part 4, Chapter 4.
3. The left hand column should be used for current year information and the right-hand column for the previous year (optional).

The following forms do not contain provisions for component units. If your district has a component unit as defined by GASB Statement 14 you will need to make the appropriate modifications to your statements. The Category 1 BARS manual discusses the reporting entity and potential component units in Part 3, Chapter 12 and provides examples of financial statements which include component units. For further information, refer to the BARS manual and GASB Statement 14.

(COMPARATIVE)* STATEMENT OF INCOME
For The Year(s) Ended December 31, 19 ____ and 19 ____ *

<u>Utility Operating Income</u>	19 ____	19 ____ *
Operating Revenues (400)	\$ _____	\$ _____
Operating Expenses:		
Operation Expenses (401)	_____	_____
Maintenance Expenses (402)	_____	_____
Depreciation Expenses (403)	_____	_____
Amortization and Depletion Expenses (404-407)	_____	_____
Taxes Other than Income Taxes (408)	_____	_____
Gain (Loss) on Disposition of Utility Plant (411)	_____	_____
Total Operating Expenses	_____	_____
Revenues and Expenses from Utility Plant Leased to Others (412-413)	_____	_____
Net Utility Operating Income	\$ _____	\$ _____
<u>Other Income and Deductions</u>		
Operating Assessments, Levies and Subsidies	_____	_____
Income from Merchandising, Jobbing and Contracting Work (415-416)	_____	_____
Revenue from Nonutility Operations (417)	_____	_____
Nonoperating Rental Income (418)	_____	_____
Equity in Income of Joint Ventures and Subsidiaries (418)	_____	_____
Interest and Dividend Income (419)	_____	_____
Gains (Losses) from Disposition of Property (420-421)	_____	_____
Miscellaneous Nonoperating Income (421)	_____	_____
Miscellaneous Amortization (425)	_____	_____
Miscellaneous Income Deductions (426)	_____	_____
Total Other Income and Deductions	_____	_____
<u>Interest Charges</u>		
Interest on Long-Term Debt (427)	_____	_____
Amortization of Debt Discount and Expenses (428)	_____	_____
Amortization of Premium on Debt-(Cr) (429)	_____	_____
Other Interest Expenses (430-431)	_____	_____
Interest Charged to Construction-(Cr) (432)	_____	_____
Total Interest Charges	_____	_____
<u>Extraordinary Income and Deductions</u> (434-435)	_____	_____
NET INCOME	\$ _____	\$ _____
=		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

MCAG No. _____

(District Name)

Statement D4

Page 1 of 1

(COMPARATIVE)* STATEMENT OF RETAINED EARNINGS

For The Year(s) Ended December 31, 19 ____ and 19 ____*

<u>Appropriated Retained Earnings</u> (215)	19 ____	19 ____*
Balance January 1	\$ _____	\$ _____
Appropriations of Retained Earnings (436)	_____	_____
Balance December 31	\$ <u>_____</u>	\$ <u>_____</u>
=		
<u>Unappropriated Retained Earnings</u> (216)		
Balance January 1	\$ _____	\$ _____
Balance Transferred from Income	_____	_____
Appropriations of Retained Earnings (436)	(_____)	(_____)
Adjustments to Retained Earnings (439)	_____	_____
Balance December 31	\$ <u>_____</u>	\$ <u>_____</u>
=		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

MCAG No. _____

(District Name)

Statement D5

Page 1 of 2

(COMPARATIVE)* STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN EQUITY

For The Year(s) Ended December 31, 19 ____ and 19 ____*

OPERATING REVENUES:	19 ____	19 ____*
Sales of Merchandise	\$ _____	\$ _____
Utility Sales and Service Fees	_____	_____
Other Charges for Services	_____	_____
Other Operating Revenue	_____	_____
Total Operating Revenue	_____	_____
OPERATING EXPENSES:		
Operations:		
General Operations	_____	_____
Power/Water/Gas Purchased for Resale	_____	_____
Contracted Processing and Operations	_____	_____
Cost of Energy	_____	_____
Cost of Goods Sold	_____	_____
Maintenance	_____	_____
Customer Services and Marketing	_____	_____
Administration:		
General Administration	_____	_____
Planning, Conservation, Research and Development	_____	_____
Depreciation/Amortization/Depletion	_____	_____
Property, Excise and B&O Taxes	_____	_____
Other Operating Expenses	_____	_____
Total Operating Expenses	_____	_____
OPERATING INCOME (LOSS)	\$ _____	\$ _____

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

MCAG No. _____

(District Name)

Statement D5

Page 2 of 2

(COMPARATIVE)* STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN EQUITY

For The Year(s) Ended December 31, 19 ____ and 19 ____*

	19 ____	19 ____*
OPERATING INCOME (LOSS)	\$ _____	\$ _____
NONOPERATING REVENUES (EXPENSES):		
Operating Assessments and Tax Levies	_____	_____
External Operating Subsidies	_____	_____
Revenue from Merchandising, Jobbing and Contract Work	_____	_____
(Costs and Expenses of Merchandising, Jobbing and Contract Work)	_____	_____
Interest and Dividend Income	_____	_____
(Interest Expense and Related Charges)	_____	_____
Equity in Income (Loss) of Joint Ventures/ Subsidiaries	_____	_____
Gains (Losses) on Fixed Asset Disposition	_____	_____
Other Nonoperating Revenues	_____	_____
(Other Nonoperating Expenses)	_____	_____
Nonoperating Revenue Net of Expense	_____	_____
Income Before Transfers and Other Items	_____	_____
OPERATING TRANSFERS IN (OUT)	_____	_____
OTHER INCOME (LOSSES):		
Gains (Losses) on Discontinued Segments	_____	_____
Extraordinary Gains (Losses)	_____	_____
Cumulative Effect of Accounting Changes	_____	_____
NET INCOME (LOSS)	\$ _____	\$ _____
-		
FUND EQUITY, January 1	\$ _____	\$ _____
Contributed Capital Increase (Decrease)	_____	_____
Residual Equity Transfers In (Out)	_____	_____
Other Changes in Fund Equity	_____	_____
FUND EQUITY, December 31	\$ _____	\$ _____
=		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

*Prior year presentation is optional.

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STATEMENT OF CASH FLOWS

(STATEMENT E-3)

INSTRUCTIONS

The statement of cash flows (SCF) is required by Governmental Accounting Standards Board (GASB) Statement 9, issued September 1989. The SCF replaced the statement of changes in financial position. It applies to all proprietary and nonexpendable trust funds and eliminates the requirement for public employee retirement systems and pension trust funds to prepare this statement.

The SCF identifies four areas of cash flows (inflows and outflows):

1. Cash flows from operating activities (e.g., sales and purchases of goods).
2. Cash flows from noncapital financing activities (e.g., proceeds and repayments of bonds).
3. Cash flows from capital and related financing activities (e.g., proceeds and repayments of bonds clearly associated with construction or acquisition of capital assets).
4. Cash flows from investing activities (e.g., deposits and withdrawals from investment pools).

In addition to identifying actual cash inflows and outflows in the above four areas, noncash transactions must be presented. Examples are purchasing a building by incurring a mortgage or obtaining an asset by capital lease. This information should be presented in a separate schedule in either narrative or tabular format.

The descriptive term *cash* or *cash and cash equivalents* should be used in the SCF. Beginning and ending cash and cash equivalents should be presented in the SCF. These amounts should be easily traceable to similarly titled line items or subtotals shown in the balance sheet.

Cash and cash equivalents are defined in GASB Statement 9 as follows:

“ . . . short-term, highly liquid investments that are both

- a. readily convertible to known amounts of cash.
- b. so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Generally, only investments with original maturities of three months or less meet this definition.”

Examples of cash and cash equivalents are:

Treasury bills	Money market funds
Commercial paper	Cash management pools
Certificates of deposit	

An entity is not required to present an investment as a cash equivalent just because it meets the above definition. Each entity should determine which items it will treat as cash equivalents and disclose its policy for making this determination. If this policy changes, it constitutes a change in accounting principles. If comparative financial statements are presented, prior periods should be restated to reflect this change.

Normally, cash flows will be presented as gross amounts. However, the cash receipts and cash payments of the following items may be reported net:

Investments (other than cash equivalents)
Loans receivable
Debt (provided that the original maturity of the asset or liability is three months or less)

The SCF should be presented for each period for which results of operations are reported. Presentation on a comparative basis is optional.

GASB has developed two presentation formats for the SCF: the direct method (E-3A) and the indirect method (E-3B). The Board encourages use of the direct method, but either method is acceptable.

The following examples of the SCF do not contain provisions for component units. If your district has a component unit as defined by GASB Statement 14 you will need to make the appropriate modifications to your statements. The Category 1 *Budgeting, Accounting and Reporting System* (BARS) manual discusses the reporting entity and potential component units in Part 3, Chapter 12 and provides examples of financial statements which include component units. For further information, refer to the BARS manual and GASB Statement 14.

	<u>1992</u>	<u>1991*</u>
Cash flows from operating activities:		
Cash received from customers	\$ 912,000	\$ 820,163
Cash payments to suppliers for goods and services	(450,000)	(400,000)
Cash payments to employees for services	(300,575)	(301,015)
Payment in-lieu of taxes	(50,000)	(42,350)
Other operating cash received	<u>15,075</u>	<u>25,000</u>
Net cash provided by operating activities	\$ 126,500	\$ 101,798
Cash flows from noncapital financing activities:		
Net borrowing (repayments) under revolving loan arrangement	(20,000)	(15,000)
Interest paid on revolving loan	(1,500)	(2,000)
Operating grants received	100,000	95,000
Operating transfers-out to other funds	<u>(75,000)</u>	<u>-</u>
Net cash provided by noncapital financing activities	\$ 3,500	\$ 78,000
Cash flows from capital financing activities:		
Proceeds from sale of revenue bonds	250,000	-
Acquisition and construction of capital assets	(350,000)	-
Principal paid on revenue bond maturities and equipment contracts	(75,000)	(57,000)
Interest paid on revenue bonds and equipment contracts	(33,500)	(23,850)
Proceeds from sale of equipment	10,000	-
Capital contributed by subdividers	<u>60,000</u>	<u>50,000</u>
Net cash used for capital financing activities	\$(138,500)	\$ (30,850)
Cash flows from investing activities:		
Purchase of investment securities	(125,000)	(75,000)
Proceeds from sale and maturities of investment securities	75,000	23,500
Interest and dividends on investments	<u>9,000</u>	<u>5,000</u>
Net cash used for investing activities	\$ (41,000)	\$ (46,500)
Net increase (decrease) in cash and cash equivalents	(49,500)	102,448
Cash and cash equivalents at beginning of year	<u>\$ 175,600</u>	<u>\$ 73,152</u>
Cash and cash equivalents at end of year	<u>\$ 126,100</u> (1)	<u>\$ 175,600</u> (1)
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income (loss)	\$(110,500)(1)	\$(130,402)(1)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	245,000	230,000
Allowance for uncollectible accounts	2,000	500
Change in assets and liabilities:		
Increase in accounts receivable	(15,000)	(5,000)
Decrease in inventory	2,000	1,000
Decrease in prepaid expenses	500	500
Increase in accounts payable	<u>2,500</u>	<u>5,200</u>
Total adjustments	\$ 237,000	\$ 232,200
Net cash provided by operating activities	<u>\$ 126,500</u>	<u>\$ 101,798</u>

Noncash financing, capital and investing activities:

Shortly before the balance sheet date, the district entered into a time-pay agreement to purchase office equipment costing \$7,500. There was no down payment and no monthly installments were made before year end.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTE: (1) This amount should be traceable to the operating statement.

*Prior year presentation is optional.

	<u>1992</u>	<u>1991*</u>
Cash flows from operating activities:		
Net operating income (loss)	\$(110,500)(1)	\$(130,402)(1)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation, Amortization, Depletion	245,000	230,000
Allowance for uncollectible accounts	2,000	500
Change in assets and liabilities:		
Increase in receivables	(15,000)	(5,000)
Decrease in inventory	2,000	1,000
Decrease in prepaid expenses	500	500
Increase in payables	<u>2,500</u>	<u>5,200</u>
Total adjustments <u>\$ 237,000</u>	<u>\$ 232,200</u>	
Net cash provided by operating activities	\$ 126,500	\$ 101,798
Cash flows from noncapital financing activities:		
Net borrowing (repayments) under revolving loan arrangement	(20,000)	(15,000)
Interest paid on revolving loan	(1,500)	(2,000)
Operating grants received	100,000	95,000
Operating transfers-out to other funds	<u>(75,000)</u>	<u>-</u>
Net cash provided by noncapital financing activities	\$ 3,500	\$ 78,000
Cash flows from capital financing activities:		
Proceeds from sale of revenue bonds	250,000	-
Acquisition and construction of capital assets	(350,000)	-
Principal paid on revenue bond maturities and equipment contracts	(75,000)	(57,000)
Interest paid on revenue bonds and equipment contracts	(33,500)	(23,850)
Proceeds from sale of equipment	10,000	-
Capital contributed by subdividers	<u>60,000</u>	<u>50,000</u>
Net cash used for capital financing activities	\$(138,500)	\$ (30,850)
Cash flows from investing activities:		
Purchase of investment securities	\$(125,000)	\$ (75,000)
Proceeds from sale and maturities of investment securities	75,000	23,500
Interest and dividends on investments	<u>9,000</u>	<u>5,000</u>
Net cash used for investing activities	<u>\$ (41,000)</u>	<u>\$ (46,500)</u>
Net increase (decrease) in cash and cash equivalents	(49,500)	102,448
Cash and cash equivalents at beginning of year	<u>175,600</u>	<u>73,152</u>
Cash and cash equivalents at end of year	<u><u>\$ 126,000</u></u> (1)	<u><u>\$ 175,600</u></u> (1)

Noncash financing, capital and investing activities:

Shortly before the balance sheet date, the district entered into a time-pay agreement to purchase office equipment costing \$7,500. There was no down payment and no monthly installments were made before year end.

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTE: (1) This amount should be traceable to the balance sheet.

*Prior year presentation is optional.

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NOTES TO FINANCIAL STATEMENTS
(STATEMENT F-4)
INSTRUCTIONS

The notes which follow were designed to provide the minimum disclosures required for many types of classified utilities. These samples are intended to furnish you with a guide to phrasing the required disclosures. These notes are illustrative only and should be adapted to unique circumstances of your district.

Some notes may not be applicable and should be deleted. Other notes may be necessary to assist readers in understanding the financial statements and should be added.

The Notes to Financial Statements are an integral part of the statements. Once you have edited these notes so that they do provide the necessary information about your district, you should type them on ordinary bond paper and attach them to your financial statements.

1/

NOTES TO FINANCIAL STATEMENTS
For The Year Ended December 31, 19 ____ (and December 31, 19 ____)

These notes are an integral part of the accompanying financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of _____ 1/ conform to generally accepted accounting principles as applicable to proprietary funds of governmental units (in most respects). The following is a summary of the more significant policies (including identification of those policies which result in material departures from generally accepted accounting principles):

a. Reporting Entity

_____ 1/ is a municipal corporation governed by an elected _____ 2/ member board. As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. (The _____ 1/ has no component units.) (These financial statements present _____ 1/ (the primary government) and its component units. The component units discussed below are included in the district's reporting entity because of the significance of their operational or financial relationships with the district.) 3/

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on the particular circumstances.)

1/ Insert the official name of the district.

2/ Indicate the number of members on your board.

3/ Component units are defined in GASB Statement 14 and in Part 3, Chapter 12 of the Category 1 *Budgeting, Accounting and Reporting System* (BARS) manual. If the district has a component unit(s) for which it is financially accountable, further disclosure of the relationship(s) is required. If the district qualifies as a component unit of another government, disclosure of that relationship is also required. In addition, GASB Statement 14 requires disclosures concerning related organizations, joint ventures and jointly governed organizations. Refer to the BARS manual and GASB Statement 14 for further information.

b. Basis Of Accounting And Presentation

The accounting records of the district are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. (The district uses the Uniform System of Accounts for Class _____^{1/} Water Utilities.)^{2/}

The district uses the full-accrual basis of accounting where revenues are recognized when earned and expenses are recognized when incurred.^{3/} Fixed asset purchases are capitalized and long-term liabilities are accounted for in the appropriate funds.

(Unbilled utility service receivables are recorded at year end.)^{4/} (Operating income includes gains and losses from the disposal of utility plant.)

c. Cash And Cash Equivalents

For purposes of the Statement of Cash Flows, the district considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

d. (Utility Plant And Depreciation) (Fixed Assets)

See Note _____.^{5/}

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on the particular circumstances.)

^{1/} Indicate class designation A and B, C, or D.

^{2/} Change the title to indicate the correct system of accounts in use. If more than one system of accounts is involved, change the sentence to read "The district uses the following accounting manuals:" and list the manuals used.

^{3/} If assessment interest and penalties are not accrued, or if other modified-accrual recognition principles are used, be sure to disclose them and to disclose that such approaches are not in accordance with generally accepted accounting principles (GAAP).

^{4/} If material utility service receivables are not accrued at year end, this should be disclosed along with the clause, "which is a departure from generally accepted accounting principles."

^{5/} Insert the note number for disclosure of fixed assets.

e. Restricted Funds

In accordance with bond resolutions (and certain related agreements) separate restricted funds are required to be established. The assets held in these funds are restricted for specific uses, including (construction,) debt service and other special reserve requirements. Restricted funds currently include the following: ^{1/}

Special Funds: \$ _____
Debt Service Funds: \$ _____

Assets and liabilities shown as current in the accompanying balance sheet exclude current maturities on revenue bonds and accrued interest thereon because debt service funds are provided for their payment.

f. Receivables ^{2/}

g. Inventories

Inventories are valued at _____ ^{3/} which approximates the market value.

h. Investments

See Note _____. ^{4/}

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

- ^{1/} If the balance sheets list these restricted funds separately, omit this sentence. Otherwise, furnish descriptive titles for the various restricted funds in use.
- ^{2/} Disclose your policy for estimating and writing off uncollectible accounts.
- ^{3/} Insert "FIFO - first in, first out" "average cost," etc. If "LIFO - last in, first out," is used, omit the phrase about market value.
- ^{4/} Insert the note number for disclosure of investments.

i. (Amortization Of Contributed Capital)

In accordance with the prescribed system(s) of accounts, the district amortizes contributed capital by amounts that equal the annual depreciation on assets acquired with that capital.)

j. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation (and sick) leave. The district records unpaid leave for compensated absences as an expense and liability when incurred.

Vacation pay, which may be accumulated up to (maximum days or weeks) , is payable upon resignation, retirement or death. Sick leave may accumulate (indefinitely or up to hours). 1/

k. Direct Charge (Or Credit) To Retained Earnings

In accordance with its prescribed system of accounts, the district has (charged or credited) \$ directly to retained earnings. This is a departure from generally accepted accounting principles, which require such (charges or credits) be included in net income of the period. 2/

l. Unamortized Debt Expenses

Costs relating to the sale of bonds are deferred and amortized over the lives of the various bond issues.

m. Construction Financing 3/

n. Purchase Commitments 4/

NOTES TO PREPARER:

 1/ Only sick leave which is a part of retirement or termination benefit should be disclosed in this note (GASB Statement 16). Describe the policy regarding sick leave. For example:

(Upon resignation, any outstanding sick leave is lost.)

(If an employee terminates with at least ten years of service, he or she will be paid for sick leave balances up to thirty days, at one-half his or her final pay rate.)

 2/ Be sure to add a sentence to this note to explain the circumstances.

 3/ This note should disclose any cost-sharing agreements or other long-term financing or credit agreements that the district has entered into.

 4/ This note should disclose any long-term purchase commitments, take-or-pay agreements, etc. An electric utility should disclose its participant agreements with the WPPSS.

NOTE 2 - DEPOSITS AND INVESTMENTS

As required by state law , all deposits and investments of the district's funds (except as noted below) are obligations of the U.S. Government, (the State Treasurer's Investment Pool,) (bankers' acceptances,) deposits with Washington State banks and savings and loan institutions. (Investments of (pension/nonexpendable) trust funds are not subject to the preceding limitations.)

The district's deposits and certificates of deposit are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

The district's investments are categorized to give an indication of the risk assumed at year-end. Category 1 includes investments that are either insured, registered or held by the district or its agent in the district's name. Category 2 includes uninsured and unregistered investments which are held by the counterparty's trust department or agent in the district's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or its trust department or agent but not in the district's name.

	<u>1</u>	Category <u>2</u>	<u>3</u>	<u>Carrying Amount</u>	<u>Market Value</u>
Repurchase Agreements	\$_____	\$_____	\$_____	\$_____	\$_____
U.S. Government Securities	_____	_____	_____	_____	_____
Bankers' Acceptances	_____	_____	_____	_____	_____
Total	\$=====	\$=====	\$=====		
Investment in State Treasurer's Investment Pool				_____	_____
Investment in Deferred Compensation				_____	_____
Other Property				_____	_____
Total Investments				\$=====	\$=====

All temporary investments are stated at cost plus accrued interest which approximates market. Other property and investments are shown on the balance sheet at cost, net of amortized premium or discount.

Management intends to hold the time deposits and securities until maturity. Other property consists of real estate held (for the production of (rental) income/(and) for future use.).

(In accordance with generally accepted accounting principles applicable to regulated industries, reductions in market value are not reflected on the financial statements. Similarly, gains or losses on "bond swaps" are deferred and amortized over the life of the replacement investment. Other gains or losses on investments sold or exchanged are recognized at the time the transactions are completed.)

Restricted assets shown on the balance sheet include the following investments:

	<u>Amortized Cost</u>	<u>Market</u>
Time Deposits	\$ _____	\$ _____
Other Securities	_____	_____
Total Investments of Restricted Assets	\$ <u> </u>	\$ <u> </u>

DERIVATES AND SIMILAR TRANSACTIONS ^{1/}

NOTE 3 - (UTILITY PLANT AND DEPRECIATION) (FIXED ASSETS)

Major expenses for fixed assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. (Obligations under capital leases are disclosed in Note (Lease Commitments Note No.)).

Utility plant in service (and other fixed assets) (is/are) recorded at cost (where the historical cost is known. Where historical cost is not known, assets are recorded at _____ ^{2/}.) Donations by developers (and customers) are recorded at (the contract price and donor cost or appraised value) (except in the Electric Utility (Fund), which is required by the prescribed system of accounts to record its fixed assets not of contributed capital and to record purchased utility at "original cost," although these procedures do not conform to generally accepted accounting principles).

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

1/ Derivatives are generally defined as contracts whose value depends on, or *derives* from, the value of an underlying asset, reference date, or index. For more information see GASB Technical Bulletin No. 94- 1 *Disclosures about Derivatives and Similar Debt and Investment Transactions*.

This disclosure is necessary if the district has used, held, or sold any derivatives or similar instruments during the period covered by the financial statements, regardless of whether the assets or liabilities resulting from those transactions are reported on the balance sheet.

The note should include:

- nature of transaction,
- reason for entering into transaction,
- discussion of district exposure to credit risk, market risk, and legal risk (the discussion of risk should be made only to the extent that these risks are above and beyond these inherent risks that are apparent in the financial statements or are otherwise disclosed in the notes to financial statements).

2/ Indicate valuation method used, such as "estimated cost," "fair market value," etc.

(The original cost of operating property retired or otherwise disposed of and the cost of installation, less salvage, is charged to accumulated depreciation.) (However, in the case of the sale of a significant operating unit or system, the original cost is removed from the utility plant accounts, accumulated depreciation is charged with the accumulated depreciation related to the property sold, and the net gain or loss on disposition is credited or charged to income.)

(An allowance for funds used during construction is capitalized as part of the cost of utility plant. While cash is not received currently from such allowance, it is realized under the rate-making process over the service life of the related property through increased revenue resulting from a higher rate base and higher depreciation expense. The procedure is intended to remove the cost of financing construction activity from the income statement and to treat such cost in the same manner as construction labor and material costs.)

(During 19____, and 19____, the district capitalized \$_____ and \$_____, respectively of net interest costs for funds borrowed to finance the construction of fixed assets. Interest costs of \$_____ in 19____ and \$_____ in 19____ were offset by interest income of \$_____ and \$_____ in respective years.

Depreciation is computed on the _____ ^{1/} method with useful lives of _____ ^{2/} to _____ ^{2/} years. (Initial depreciation on utility plant is recorded in the year subsequent to purchase.)

(Preliminary costs incurred for proposed projects are deferred pending construction of the facility. Costs relating to projects ultimately constructed are transferred to utility plant; charges that related to abandoned projects are expensed.)

(The following is a summary of the fixed assets as of December 31, 19____ and 19____. ^{3/}

	19____	19____
Land	_____	_____
Plant	_____	_____
Capital Leases	_____	_____
Machinery and Equipment	_____	_____
Construction in Progress	_____	_____
_____	_____	_____
_____	_____	_____
Less Accumulated Depreciation	_____	_____
NET FIXED ASSET	\$_____	\$_____)

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

^{1/} Insert "straight-line" or the particular accelerated method used.

^{2/} Insert minimum and maximum useful lives.

^{3/} If your balance sheet displays the various categories of fixed assets (e.g., land, buildings, equipment, etc.) you will not need to include this schedule.

NOTE 4 - CONSTRUCTION IN PROGRESS

Construction in progress represents expenses to date on projects whose authorizations total \$_____. ^{1/} Of the committed balance of \$_____, the district will be required to raise \$_____ in future financing. ^{2/}

NOTES TO PREPARER:

^{1/} Total construction project budgets should be included here.

^{2/} If there are numerous construction projects, this information should be presented in a schedule like the example below:

Construction in progress is composed of the following:

	<u>Project Authorization</u>	<u>Expended to 12/31/9X</u>	<u>Committed</u>	<u>Required Future Financing</u>
Water Treatment Plant - Phase 1	\$1,400,000	\$1,094,000	\$ 306,000	None
Water Treatment Plant - Phase 2	600,000	-	600,000	600,000
Congress Avenue Sewer Line	250,000	215,000	35,000	None
Improvement District No. 79	200,000	200,000	200,000	None
Improvement District No. 80	200,000	117,100	82,900	None
Various Projects Under \$100,000	<u>250,000</u>	<u>196,150</u>	<u>53,850</u>	<u>None</u>
	<u>\$2,900,000</u>	<u>\$1,822,250</u>	<u>\$1,077,750</u>	<u>\$600,000</u>

NOTE 5 - LEASE COMMITMENTS

a. Operating Lease(s) ^{1/}

The (district's name) is committed under various leases for _____. ^{2/} These leases are considered operating leases for accounting purposes. Lease expenses for the year ended December 31, 19____ amounted to \$_____. Future minimum rental commitments for these leases are as follows:

<u>Year</u> ^{3/}	
19____	\$_____
19____	_____
19____	_____
19____	_____
19____	_____
19____-19____	_____
Total	\$_____

NOTES TO PREPARER:

- ^{1/} Prepare this part of the note for leases which are not capitalized.
- ^{2/} List the types of operating leases your district has.
- ^{3/} List the payments by year for the next five years, then add a line that shows total payments for all years thereafter.

b. Capital Lease(s)

The (district's name) has entered into (a) lease agreement(s) for financing the acquisition of _____ ^{1/}. These lease agreements qualify as capital leases for accounting purposes and are recorded as assets and as long-term liabilities at the present value of the future minimum lease payments as of the date of their inception. The district records lease payments as reductions of the long-term liability and as interest expense over the life of the lease. The future minimum lease payments under these lease agreements are as follows:

<u>Fiscal Year</u> ^{2/}	
19__	\$ _____
19__	_____
19__	_____
19__	_____
19__-19__	_____
Less amount representing interest	_____
Present Value of Future Minimum Lease Payments	\$ <u>_____</u>

Depreciation policy for capitalized assets is described in (Fixed Assets Note No.).

NOTES TO PREPARER:

1/ List the types of leases.

2/ List the payments by year for the next five years, then add a line that shows total payments for all years thereafter.

NOTE 6 - LONG-TERM DEBT

Schedule 09 which accompanies this report contains a list of the outstanding debt at December 31, 19__ (and 19__^{1/}). The annual requirements to amortize all debts outstanding as of December 31, 19__, ^{2/} including interest, are as follows:^{3/}

<u>Years Ended December 31:</u> ^{4/}	<u>Total</u>		
19__	\$_____ ^{5/}	\$_____	\$_____
19__	_____	_____	_____
19__	_____	_____	_____
19__	_____	_____	_____
19__	_____	_____	_____
19__-19__	_____	_____	_____
Total	\$=====	\$=====	\$=====

There is \$_____ in restricted assets of the district. These represent sinking funds and reserve requirements as contained in the various indentures.

There are a number of other limitations and restrictions contained in the various bond indentures. The district is in compliance with all significant limitations and restrictions. ^{6/}

The following bond issues have been refunded as of December 31, 19__.

<u>Bond Issue</u>	<u>Amount Outstanding</u>
_____	\$_____
_____	\$_____
_____	\$_____
Total Refunded Bonds Outstanding	\$=====

NOTES TO PREPARER:

- ^{1/} If you chose to present comparative financial statements attach Schedule 09 for both years.
- ^{2/} This schedule should be for debts outstanding at the end of the latest year presented and amounts may be rounded to the nearest hundred or thousand dollars.
- ^{3/} If your district has additional debt that has been authorized but not issued, the unissued amounts should be listed here in a separate paragraph. If conduit (no-commitment) debt is reported on the balance sheet, it needs to be included in all long-term disclosures. Otherwise, the district should disclose:
- General description of transactions.
 - Aggregate amount of all conduit debt obligations outstanding at the balance sheet date. If the amount of debt issued prior to January 1, 1996 (or prior to the date of implementation of GASB Interpretation 2) is not determinable or cannot be reasonably estimated, the district may provide the aggregate original issue amount.
 - A clear indication that the district has no obligation for the debt beyond the resources provided by related leases or loans.
- ^{4/} If you prepare comparative financial statements show the amortization amounts beginning with the year preceding the year of your annual report.
- ^{5/} You may present separate columns for different types of debt.
- ^{6/} You may want to disclose the details of your entity's compliance with some restrictions, such as the ratio of operating revenues to debt service requirements. Also, consider disclosing the detail of changes in restricted assets.

This advance refunding was undertaken to (reduce total debt service payments over the next ____ years by \$_____, etc.) and resulted in an economic gain of \$_____ ^{1/}

Debt service on these bonds is met by cash and investments held by the refunding trustee(s). As of December 31, 19____, the trustee(s) was (were) holding cash and investments of \$_____ which are expected to fund debt service fully. These refunded bonds constitute a contingent liability of the district but are excluded from the financial statements.

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

^{1/} The economic gain or loss on a refunding transaction is calculated in the following manner:

- The present value of the debt service payments related to the refunding debt is calculated using the following formula:

Face amount of bonds
+ Premium (or) original issue discount)
+ Accrued interest
) Costs not recoverable through escrow earnings

Present value of debt service payments on
refunding debt;

- A calculation is made to determine what effective interest rate applied to the debt service payments on the *refunding* bonds would result in the present value determined in the previous calculation;
- The effective interest rate calculated for the refunding bonds is then applied to the debt service on the *refunded* bonds to calculate the present value of debt service on the latter;
- The difference between the present value of the two debt service streams (refunding debt and refunded debt) constitutes the economic gain or loss on the transaction.

NOTE 7 - PENSION PLAN

Substantially all of the (district's name) full-time and qualifying part-time employees participate in the Public Employees' Retirement System (PERS). This is a statewide local government retirement system administered by the Department of Retirement Systems, under a cost-sharing multiple-employer public employee retirement plan.

a. Funding Status And Progress

	Summary Of System's <u>Actuarial Data</u> (In Millions Of Dollars) As Of December 31, 1994
Total Pension Benefit Obligation	\$11,549
Less Net Assets Available For Benefits As Of Actuarial Date (At Market)	<u>9,800</u>
Unfunded (Surplus) Actuarial Present Value Of Accumulated Plan Benefits	<u>\$ 1,749</u>

The amount shown as total pension benefit obligation is the actuarial present value of credited projected benefits, adjusted for the effects of projected salary increases estimated to be payable in the future as a result of employee service to date. Use of the standardized measure enables readers of Washington's financial statements to: (a) assess on an ongoing basis the funding status of the system; (b) assess progress made in accumulating sufficient assets to pay benefits when due; and (c) make comparisons among other states or other retirement systems. The standardized disclosure method is independent of the actuarial funding method used to determine contributions to the retirement system.

Historical trend information showing the system's progress in accumulating sufficient assets to pay benefits when due is presented in the state of Washington's June 30, 1995 comprehensive annual financial report. Please refer to said report for detailed trend information.

b. Description Of Plan

The state legislature established PERS in 1947 under Chapter 41.40 RCW. PERS is a cost-sharing multiple-employer system. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges); employees of legislative committees; college and university employees not in national higher education retirement programs; judges of district and municipal courts; noncertificated employees of school districts; and employees of local government. Approximately 47 percent of PERS members are state employees.

PERS contains two plans. Participants who joined the system by September 30, 1977, are Plan I members. Those joining thereafter are enrolled in Plan II. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan I and Plan II are vested after completion of 5 years of eligible service.

Plan I members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the final average salary per year of service, capped at 60 percent.

Plan II members may retire at the age of 65 with 5 years of service, or at 55 with 20 years of service, with an allowance of 2 percent per year of service of the final average salary. Plan II retirements prior to 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3 percent annually.

During the 1995 Washington State Legislative Session, the Washington State Legislature did approve a change in retirement law that will not become effective until after the close of fiscal year 1995. The existing Cost of Living Allowance (COLA) benefits based on the loss of purchasing power in PERS I were repealed with a COLA based on years of service. The COLA will increase employer contribution rates .16 percent. The material changes made during the 1994 Legislative Session that became effective during the 1995 fiscal year were disclosed in last year's annual report.

None of the other bills that passed affected contribution rates.

The district's covered payroll for year ending December 31, 1995 was \$_____ ^{1/}. The district's total current-year payroll for all employees was \$_____.

Each biennium the legislature establishes Plan I employer contribution rates and Plan II employer and employee contribution rates. Employee contribution rates for Plan I are established by legislative statute and do not vary from year to year. Employer rates for Plan I are not necessarily adequate to fully fund the system. The employer and employee contribution rates for Plan II are developed by the Office of State Actuary to fully fund the system. All employers are required to contribute at the level established by the legislature. The methods used to determine the contribution requirements were established under state statute.

NOTES TO PREPARER:

^{1/} Information will be furnished by the district.

c. Contributions Required And Made

The district's contribution rates expressed as a percentage of covered payroll as of December 31, 1995 ^{1/} were:

	<u>PERS Plan I</u>		<u>PERS Plan II</u>	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Employer	7.48%	7.42%	7.48%	7.42%
Employee	<u>6.00%</u>	<u>6.00%</u>	<u>5.06%</u>	<u>5.08%</u>
Total	<u>13.48%</u>	<u>13.42%</u>	<u>12.54%</u>	<u>12.50%</u>

NOTES TO PREPARER:

^{1/} The contribution rates expressed as a percentage of covered payroll for the period January 1, 1995 through December 31, 1995 follow. Those labeled "required" are the rates developed in the December 31, 1994 PERS valuation plus .16 percent for the enhanced COLA that was enacted during the 1995 session. Those labeled "actual" are the rates in effect as of December 31, 1995.

	<u>PERS Plan I</u>		<u>PERS Plan II</u>	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Employer	7.48%	7.42%	7.48%	7.42%
Employee	<u>6.00%</u>	<u>6.00%</u>	<u>5.06%</u>	<u>5.08%</u>
Total	<u>13.48%</u>	<u>13.42%</u>	<u>12.54%</u>	<u>12.50%</u>

The actuarially determined contribution requirement and actual contribution for the year ending December 31, 1995 were:

	<u>PERS Plan I</u>		<u>PERS Plan II</u>	
	<u>Required</u>	<u>Actual</u>	<u>Required</u>	<u>Actual</u>
Employer	\$ _____ ^{2/}	\$ _____ ^{1/}	\$ _____ ^{2/}	\$ _____ ^{1/}
Employee	_____ ^{2/}	_____ ^{1/}	_____ ^{2/}	_____ ^{1/}
Total	<u>\$ _____^{2/}</u>	<u>\$ _____^{1/}</u>	<u>\$ _____^{2/}</u>	<u>\$ _____^{1/}</u>

The district's actuarially determined employer contribution requirement represents approximately _____^{3/} percent of the total for all employers covered by PERS.

NOTE 8 - DEFERRED COMPENSATION

The district offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. This plan is with (an independent plan administrator/governmental entity). The plan, available to (all/eligible) employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Compensation deferred under the plan and all income attributable to the plan are solely the property of the district. The district's rights to this property are subject only to the claims of the district's general creditors until paid to the employee or other beneficiary and are not restricted to the benefit provisions under the plan.

(It is the opinion of the district's legal counsel that) the district has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The district believes that it is highly unlikely that it will use the assets to satisfy the claims of general creditors in the future.

(Of the \$ _____ in the plan at December 31, 19____, \$ _____ was applicable to the district while the remaining \$ _____ represents the assets of other jurisdictions participating in the plan.)

Deferred compensation plan investments are recorded on the balance sheet at market value, along with the corresponding liability.

NOTES TO PREPARER: (The portions of these notes in parentheses are alternatives or additions you may need to use, depending on your particular circumstances.)

1/ Information will be furnished by the district.

2/ District computes this information as follows: Required rate x the district's covered payroll.

3/ District computes this information as follows: District's covered payroll ÷ \$5,328 million system-wide payroll.

NOTE 9 - SEGMENT INFORMATION ^{1/}

The district operates _____ ^{2/} enterprise funds which provide _____ ^{3/} services. Segment information for the year ended December 31, 19__ was as follows:

	<u>(Segment)</u>	<u>(Segment)</u>	<u>(Other)</u>	<u>(Total)</u>
Operating Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Operating Expenses:				
Depreciation/Amortization/Depletion	_____	_____	_____	_____
Other _____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Operating Income (Loss)	\$ _____	\$ _____	\$ _____	\$ _____
Non-Operating Revenues (Expenses):				
Operating Grants and Subsidies	_____	_____	_____	_____
Tax Revenues	_____	_____	_____	_____
Other (Net)	_____	_____	_____	_____
Operating Transfers In (Out)	_____	_____	_____	_____
Extraordinary Items Cumulative Effect of Accounting Change	_____	_____	_____	_____
NET INCOME (LOSS)	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
Current Capital Contributions:				
Residual Equity Transfers In	\$ _____	\$ _____	\$ _____	\$ _____
Capital Grants Received	\$ _____	\$ _____	\$ _____	\$ _____
Taxes for Capital Construction	\$ _____	\$ _____	\$ _____	\$ _____
Other Capital Contributed		\$ _____	\$ _____	\$ _____
\$ _____				\$ _____
Property/Plant/Equipment:				
Additions	\$ _____	\$ _____	\$ _____	\$ _____
Deletions	\$ _____	\$ _____	\$ _____	\$ _____
Current Assets	_____	_____	_____	_____
Current Liabilities	_____	_____	_____	_____
NET WORKING CAPITAL	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>
Bonds and Other Long-Term Liabilities:				
Payable from Operating Revenues	\$ _____	\$ _____	\$ _____	\$ _____
Payable from Other Sources	\$ _____	\$ _____	\$ _____	\$ _____
Total Assets	_____	_____	_____	_____
Total Liabilities	_____	_____	_____	_____
FUND EQUITY	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ _____</u>

NOTES TO PREPARER:

- ^{1/} A district needs to furnish this information only when it is operating two or more discrete functions, such as a PUD that operates both an electric utility and a water utility or a water district that operates both a water utility and street lighting (a combined water/sewer utility does not need to be segmented). The format shown conforms to GASB recommendations.
- ^{2/} Indicate the number of utilities the entity operates.
- ^{3/} Indicate types of goods and services provided.

NOTE 10 - DEFERRED DEBITS (OR CREDITS) ^{1/}

In accordance with generally accepted accounting principles for regulated businesses, the district has deferred (losses, costs, receipts, etc.) of \$_____ in 19__ and \$_____ in 19__, which will be amortized using the _____ method over _____ years. These (losses, costs, receipts, etc.) resulted from (give brief description). These (charges or credits) would have been included in net income for 19__ and 19__, in nonregulated businesses, but for rate-making purposes they are treated as applicable to future periods.

NOTE 11 - PROPERTY TAXES ^{1/}

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Taxes are levied annually on January 1, on property values listed as of the prior May 31. Assessed values are established by the county assessor at 100 percent of fair market value. A revaluation of all property is required every four years.

Taxes are due in two equal installments on April 30 and October 31. Collections are distributed monthly to the district by the county treasurer.

The district is permitted by law to levy up to \$_____ ^{2/} per \$1,000 of assessed valuation for general district purposes. This amount may be reduced for any of the following three reasons:

- a. The Washington State Constitution limits the total regular property taxes to 1 percent of assessed valuation or \$10 per \$1,000 of value. If the taxes of all districts exceed this amount, each is proportionately reduced until the total is at or below the 1 percent limit.
- b. Washington State law in RCW 84.55.010 limits the growth of regular property taxes to 6 percent per year, after adjustments for new construction. If the assessed valuation increases by more than 6 percent due to revaluation, the levy rate will be decreased.
- c. The district may voluntarily levy taxes below the legal limit.

Special levies approved by the voters are not subject to the above limitations.

NOTES TO PREPARE R: (The portions of these notes in parenthesis are alternatives or additions you may need to use, depending on your particular circumstances.)

^{1/} The need for the note depends on your particular circumstances.

^{2/} Insert the maximum legal levy for the entity.

For 19____, the district's regular tax levy was \$_____ ^{1/} per \$1,000 on a total assessed valuation of \$_____ ^{2/} for a total regular levy of \$_____. In 19____, ^{3/} the regular levy was \$_____. (Additionally, special levies for GO Bond Obligations totaled \$_____ in 19X1 and \$_____ in 19X2.) ^{4/}

Property taxes are recorded as receivables when levied. (Since State law allows for sale of property for failure to pay taxes, no estimate of uncollectible taxes is made.)

NOTE 12 - ACCOUNTING CHANGES ^{5/}

NOTES TO PREPARE R: (The portions of these notes in parenthesis are alternatives or additions you may need to use, depending on your particular circumstances.)

- ^{1/} Insert the general levy rate for taxes levied on January 1 of report year (not the current year).
- ^{2/} Insert the property valuation in effect for taxes levied on January 1 of the report year.
- ^{3/} The year prior to the report year.
- ^{4/} Any additional levies should be disclosed, such as the 50 cent levy in water districts that operate fire departments.
- ^{5/} Any changes in accounting policies (see Note 1) that could affect comparisons between two years' financial statements should be disclosed here. For example:

In accordance with NCGA Statement 2, the district has changed its method of accounting for depreciation on assets acquired with capital grants. In previous years, such depreciation was charged directly against contributed capital and did not affect net income. In 19____, depreciation expenses on such assets reduced net income by \$_____. There is no cumulative effect on contributed capital or retained earnings.

NOTE 13 - EXTRAORDINARY ITEMS ^{1/}

NOTES TO PREPARER:

1/ Extraordinary items are events and transactions that are distinguished by their unusual nature and by their infrequency of their occurrence.

Thus, both of the following criteria should be met to classify an event or transaction as an extraordinary item:

- a. Unusual nature - the underlying event or transaction should possess a high degree of abnormality and be of a type clearly unrelated to, or only incidentally related to, the ordinary and typical activities of the entity.
- b. Infrequency of occurrence - the underlying event or transaction should be of a type that would not reasonably be expected to recur in the foreseeable future.

Descriptive captions and the amounts for individual extraordinary events or transactions should be presented, preferably on the face of the income statement, if practicable; otherwise disclosure in related notes is acceptable. The nature of an extraordinary event or transaction and the principal items entering into the determination of an extraordinary gain or loss should be described.

The following is an example of an extraordinary item:

Because of the eruptions of Mt. St. Helens and related ash damage to district vehicles and equipment, the district has incurred substantial losses during the current year. Five pieces of equipment were destroyed during the flooding on the Yesler River. In addition, the use of district equipment during the ash fall and cleanup operations has resulted in scrapping 9 pieces of equipment and the estimated lives of 23 district vehicles have been reduced by 2-4 years. The extraordinary loss, net of insurance, is computed below:

Destroyed Equipment (net book value)	\$ 48,000
Scrapped Equipment (net book value)	71,000
Additional Depreciation	<u>57,500</u>
	176,500
Insurance Recoveries	<u>39,500</u>
Extraordinary Loss	<u><u>\$137,000</u></u>

NOTE 14 - PRIOR PERIOD ADJUSTMENTS ^{1/}

NOTE 15 - CONTINGENT LIABILITIES AND LITIGATION ^{2/}

NOTE 16 - SUBSEQUENT EVENTS ^{3/}

NOTES TO PREPARER:

^{1/} Adjustments related to prior periods (and thus excluded from the operating statements for the current period) are limited to: (a) corrections of material errors in the financial statements of a prior period; and (b) other material adjustments which meet the criteria for prior period adjustments contained in the prescribed system of accounts. The circumstances surrounding each such adjustment should be separately explained in these footnotes.

^{2/} This note should disclose any material contingent liabilities. These are items which are uncertain now but may result in liabilities in the future, such as pending lawsuits, guarantees, etc. The following are samples of possible contingent liabilities:

The district has been named defendant in a lawsuit seeking damages of \$500,000 as a result of alleged unfair labor practices. Counsel is of the opinion that the defendants should prevail. All other lawsuits are either adequately covered by insurance or would not materially affect the financial statements.

On June 30, 1989, the utility completed its sewer reconstruction using an EPA grant. Total expenses for the project were \$750,891. As part of the grant agreement, the utility must reimburse the grantor (EPA) for any disallowed costs. To date, the project has not been audited to determine if any costs will be disallowed. The utility expects such costs, if any, will be immaterial.

^{3/} This note should disclose any events that occurred after the financial statement date that has a material effect on the operations of the governmental unit.

NOTES TO PREPARER:

- ^{1/} The new rules for disclosures for the joint ventures (set by GASB Statement 14) are effective for financial statements for periods beginning after December 15, 1992. The definition of joint ventures and accounting methods are discussed in the BARS manual (Category 1), Part 3, Chapter 5.

The requirements listed below are necessary regardless of whether or not there is equity interest.

The note should provide the following information:

1. General description of the joint venture including:
 - a. Information about ongoing financial interest or ongoing financial responsibility,
 - b. If applicable, information about equity interest,
 - c. Information regarding the performance of the joint venture to help users evaluate if the joint venture may cause additional benefit or burden to the participating entity in the future.
2. Information about availability of separate financial statements of the joint ventures (addresses).

The participating entity should also disclose information regarding related party transactions.

Due to the uniqueness of each joint venture we are not able to provide sample notes.

NOTES TO PREPARER:

1/ If the government is a member of a public entity risk pool, insert a note provided to the district by the risk pool.

If the government retains risk (either fully or partially), the following information should be disclosed:

- description of risk to which district is exposed (e.g., torts, thefts, damages, injuries to employees, natural disasters, etc.)
- how those risks are handled (e.g., purchase of commercial insurance, full or partial retention, etc.)

For the self-insurance portion the district should disclose:

- fund(s) used to account for risk management,
- level of risk assumed,
- expected annual level of claims (based on actuarial or historical cost information),
- amount of reserves set aside for potential losses.

For the third party (e.g., commercial insurance) the district should disclose:

- name of insurer(s),
- type of coverage,
- deductible amounts.

NOTE 19 - POSTRETIREMENT BENEFITS OTHER THAN PENSION BENEFIT 1/

In addition to the pension benefits described in Note _____, the _____ (district's name) provides postretirement health care benefits, in accordance with _____ (authority under which the benefit is provided) 2/ to _____ (number, category) employees who _____ (description of eligibility for the benefits). 3/ Currently, _____ (number) retirees meet those eligibility requirements.

The _____ (district's name) reimburses _____ percent of the amount of validated claims for medical, dental, and hospitalization costs incurred by pre-Medicare retirees and their dependents. The _____ (district's name) also reimburses a fixed amount of \$_____ per month for a Medicare supplement for each retiree eligible for Medicare. 4/

Employer contributions are financed on _____ pay-as-you-go basis. 5/ Expenses for postretirement health care benefits are recognized as retirees report claims and include a provision for estimated claims incurred but not yet reported to the _____ (district's name).

During the year, expenses of \$_____ were recognized for postretirement health care. 6/

Approximately \$_____ of the \$_____ increase in expenses over the previous year was caused by the addition of dental benefits, effective _____ (date). 7/

NOTES TO PREPARER:

1/ Other postemployment benefits (OPEB) are benefits provided by an employer to plan participants, beneficiaries, and covered dependents through a plan or other arrangement that is separate from a plan to provide retirement income, except for postemployment health care benefits which are always OPEB. In addition to postemployment health care benefits, OPEB may include life insurance, disability income, tuition assistance, legal services, and other assistance programs. OPEB do not include social security benefits financed through FICA payroll taxes. However, if the employer pays postretirement contributions applicable to retirees for additional Medicare benefits, those benefits should be considered postemployment health care benefits and should be included in all relevant disclosures. Whether a particular type of benefits should be considered pension benefits or OPEB depends on how the benefit is provided.

The provisions of GASB Statement 12, *Disclosure of Information on Postemployment Benefits Other Than Pension Benefits by State and Local Governmental Employers*, are effective for fiscal years beginning after June 15, 1990.

The note should be made for the entity as a whole, but if aggregate disclosure would be misleading, additional separate disclosures should be made for fund types or component units.

2/ Statute, contract, etc.

NOTES TO PREPARER: (Continued)

- 3/ Participants currently eligible for benefits are retirees, terminated employees, and beneficiaries for whom the entity is currently responsible for paying all or part of the premiums, contributions, or claims. Covered dependents should be counted as one unit with the participant.
- 4/ Describe the district's and participants' obligation to contribute. The information must be quantified (percentage, dollars contributions rates, etc.).
- 5/ If OPEB are advance-funded on an actuarially determined basis, the employer should disclose the actuarial cost method and significant actuarial assumptions (including the interest rate, and, if applicable, the projected salary increase and the health inflation assumptions) used to determine funding requirements, and the method used to value plan assets.
- 6/ The amount should be net of participant contributions. If the benefit payments cannot be readily separated from expenses for similar types of benefits provided to active employees and their dependents, the district may use reasonable methods to approximate the OPEB expenses. If this is not possible, the note should disclose that the OPEB expenses can not be reasonably estimated.

If OPEB are advance-funded on an actuarially determined basis additional information should be provided in this paragraph:

- the number of active plan participants,
- the entity's actuarially required and actual contributions for the period (net of participants contributions),
- the amount of the net assets available for the OPEB,
- the actuarial accrued liability and unfunded actuarial accrued liability for OPEB according to the actuarial cost method in use.

- 7/ Describe any significant matters that affected the comparability of the current year data with the previous periods.

Any additional information that the employer believes will help users assess the nature and magnitude of the cost of the employer's commitment to provide OPEB should also be disclosed.

SUPPLEMENTAL SCHEDULES

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SCHEDULE 08 - REAL AND PERSONAL PROPERTY TAXES

This schedule is used to collect information about tax levies in all taxing districts in Washington State. The amounts reported by counties acting as tax collection agents are compared with the amounts reported by the recipient districts to verify the accuracy of reporting. This schedule is also used to verify the amount of tax revenues reported and the amount of taxes receivable shown on any balance sheets.

Districts should prepare this schedule from the monthly reports of county remittances. It is important to analyze the county reports for any netting, such as election costs. If the county has deducted any charges from its remittances, the district must show the expenses separately and record the tax revenue at its full amount.

Districts should accrue as revenue the property tax collections received by the county. County remittances that are in transit at the end of the year should be included on this schedule as "taxes collected" in district reports.

This schedule may be submitted as a computer printout, so long as the required information is provided.

Column 1	Number of each fund for which taxes are levied.
Column 2	Name of each fund for which taxes are levied.
Column 3	Prior years' taxes receivable as of January 1 of report year. Districts accruing tax revenue should report the receivable balance as stated by the county at December 31.
Column 4	Indicate whether regular (R) or special (S) levy. Also indicate tax rate expressed in dollars per thousand dollars of assessed valuation (\$/1000) at 100% of fair market value.
Column 5	Taxes levied for report year collection.
Column 6	Report year collections of current and prior year levies. Districts that provide a balance sheet should accrue the calendar year collections made by the county.
Column 7	Tax adjustments (supplementals) which increase taxes receivable.
Column 8	Tax adjustments (cancellations) which decrease taxes receivable.
Column 9	Total taxes receivable as of December 31 of report year. Districts accruing tax revenue should report the receivable balance as stated by the county at December 31.

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Schedule 08
Page ____ of ____

(ENTITY NAME)

SCHEDULE OF REAL AND PERSONAL PROPERTY TAXES (ALL TAX SUPPORTED FUNDS)

For The Year Ended December 31, 19__

[illegible]

SCHEDULE 09 - LONG-TERM DEBT

This schedule provides information about the **long-term debt** of your district. It also used to corroborate the amounts of long-term debt shown on any balance sheets and the amounts of debt service (principal only) shown on operating statements.

For Schedule 09, there are four categories of debt: general debt, revenue debt, assessment debt, and refunded debt. A separate debt schedule should be prepared for each category of debt. The appropriate category should be indicated at the top of each page.

Any debt category may contain numerous kinds of debt instruments. For example, general debt is not limited to general obligation bonds but can also contain bond anticipation notes, claims and judgments, installment sales contracts, lease-purchase agreements, etc.

As a practical matter, it is permissible to classify capital leases, including lease-purchase agreements, in enterprise funds (but not internal service funds) as "revenue debt" and to classify all other capital leases as general debt. The existence of a fiscal funding clause (which allows termination of a lease if revenue sources become inadequate) has no effect on the classification of a lease as general or revenue debt.

Assessment debt is distinguished by those whom it will benefit, namely, properties within a specific geographical area (i.e., a local improvement district or LID). The resources to pay assessment debt will come (at least partly) from assessments levied on the benefiting properties. These benefiting properties are called LIDs (local improvement districts), RIDs (road improvement districts), ULIDs (utility local improvement districts), and some other types such as sidewalk improvement districts.

Liability for deferred compensation, and liability for employee leave must be included in the financial statements but is not to be included on Schedule 09. Detailed instructions for preparing Schedule 09 follow. There should be a separate schedule for general debt, revenue debt, special assessment debt and refunded debt of the reporting entity.

This schedule may be submitted as a computer printout, so long as the required information is provided.

IDENTIFYING NUMBER AND DESCRIPTION

The numbers and descriptions below must be used on Schedule 09. Typical debt instruments are listed within each category of debt. The first three digits of the identification numbers correspond to the BARS general ledger accounts, which contains detailed descriptions of these instruments.

NOTE: For Schedule 09, list all bonded debt at par. Include principal only on all debt. Do not include any interfund debt, liabilities for deferred compensation, employee leave benefits or any short-term debt (less than one year). Generally, construction contracts are not considered debt except to the extent the contractor has performed

I.D. No. **GENERAL DEBT** - Debt backed by the government's full taxing authority.

251.11	General Obligation Bonds for Capital Purposes - (no vote required)
251.12	General Obligation Bonds for Capital Purposes - (vote required)
251.15	General Obligation Bonds for Capital Purposes - Advance refunding - Defeasance method
251.16	General Obligation Bonds for Capital Purposes - Advance refunding - Crossover method
251.41	General Obligation Bonds for M and O Purposes - (no vote required)
251.42	General Obligation Bonds for M and O Purposes - (vote required)
251.45	General Obligation Bonds for M and O Purposes - Advance refunding - Defeasance method
251.46	General Obligation Bonds for M and O Purposes - Advance refunding - Crossover method
263.11	Claims and Judgments (Long-term only)
263.51	Installment Sales Contracts
263.53	Lease-Purchase Agreements
263.55	Other Capital Leases
263.61	Anticipation Notes and Warrants for Capital Purposes (including bond anticipation notes and tax anticipation notes)
263.64	Anticipation Notes and Warrants for M and O Purposes (including bond anticipation notes and tax anticipation notes)
263.66	Other Notes Payable for Capital Purposes
263.68	Other Notes Payable for M and O Purposes
263.81	Due to Other Governmental Units for Capital Purposes (Long-term only. An example is the amount due to the state retirement system for pension systems prior to PERS and LEOFF)
263.84	Due to Other Governmental Units for M and O Purposes (Long-term only.)
263.91	Miscellaneous Long-Term General Debt for Capital Purposes
263.94	Miscellaneous Long-Term General Debt for M and O Purposes

I.D. No. **REVENUE DEBT** - Debt back by specific revenue sources.

252.11	Revenue Bonds for Capital Purposes - (no vote required)
252.12	Revenue Bonds for Capital Purposes - (vote required)
252.15	Revenue Bonds for Capital Purposes - Advance refunding - Defeasance method
252.16	Revenue Bonds for Capital Purposes - Advance refunding - Crossover method
252.41	Revenue Bonds for M and O Purposes - (no vote required)
252.42	Revenue Bonds for M and O Purposes - (vote required)
252.45	Revenue Bonds for M and O Purposes - Advance refunding - Defeasance method
252.46	Revenue Bonds for M and O Purposes - Advance refunding - Crossover method
263.12	Claims and Judgments (Long-term only)
263.41	Revenue Warrants (Coupon warrants) for Capital Purposes
263.44	Revenue Warrants (Coupon warrants) for M and O Purposes
263.52	Installment Sales Contracts
263.54	Lease-Purchase Agreements
263.56	Other Capital Leases
263.62	Anticipation Notes and Warrants for Capital Purposes (including bond anticipation notes and tax anticipation notes)
263.65	Anticipation Notes and Warrants for M and O Purposes (including bond anticipation notes and tax anticipation notes)
263.67	Other Notes Payable for Capital Purposes
263.69	Other Notes Payable for M and O Purposes
263.82	Due to Other Governmental Units for Capital Purposes (Long-term only)
263.85	Due to Other Governmental Units for M and O Purposes (Long-term only)
263.92	Miscellaneous Long-Term Revenue Debt for Capital Purposes
263.95	Miscellaneous Long-Term Revenue Debt for M and O Purposes

NOTE: M and O refers to Maintenance and Operation.

I.D. No. **ASSESSMENT DEBT** - Debt secured by assessments levied against a specific group of properties.

253.11	Special Assessment Bonds - LID
253.12	Special Assessment Bonds - ULID
253.13	Special Assessment Bonds - RID
253.14	Special Assessment Bonds - Other
253.15	Special Assessment Bonds - Advance Refunding - Defeasance Method
253.16	Special Assessment Bonds - Advance Refunding - Crossover Method
263.43	LID Warrants
263.73	LID Notes
263.99	Miscellaneous Long-Term Assessment Debt

I.D. No. **REFUNDED DEBT**

251.90	General Obligation Bonds - Advance Refunded
252.90	Revenue Bond - Advance Refunded
253.90	Special Assessment Bonds - Advance Refunded

PURPOSE - Fill in this column with the BARS code(s) reflecting the purpose(s) for which the debt proceeds were spent. For example, 594.21.64 is used for debt that was issued to purchase law enforcement vehicles and equipment. Use 593 only for refunding issues. If a refunding issue is partly refinancing and partly new financing, show both purposes. Refunded debt should continue to show the original purpose of the issue. If the purpose is not known, leave this column blank.

DATE OF ORIGINAL ISSUE / DATE OF MATURITY / INTEREST RATE(S)

These columns are self-explanatory.

TOTAL AMOUNT ISSUED TO DATE - This column should include the total amount of debt that was issued. Normally this amount will be the same as the amount authorized. However, if a note or bond issue allows for additional borrowing, the amount in this column should reflect the maximum amount issued or borrowed to date (see "AMOUNT ISSUED - CURRENT PERIOD" below).

(a) **BEGINNING OUTSTANDING DEBT** - This column should include the amount of debt that was owed at the beginning of this period. The amount shown should equal to the last year ending balance. If there is a discrepancy, attach an explanation.

(b) **AMOUNT ISSUED - CURRENT PERIOD** - In this column report the entire amount of any new debt or any additional debt issued (or borrowed) during the current period. For example, assume a G.O. bond authorized in the previous year at \$5,000,000, with \$4,000,000 issued that year and an additional \$500,000 issued in the report year. Under these circumstances, this column should show \$500,000 and the "Total Amount Issued To Date" column should show \$4,500,000.

(c) **AMOUNT REDEEMED THIS PERIOD** - In this column, report the amount of debt that was paid this period. Do not include interest paid on the redeemed debt.

(d) **ENDING OUTSTANDING DEBT** - In this column, report the amount of debt that is owed at the end of this period.

Ending outstanding debt, column (d), is calculated by adding the amounts in columns (a) and (b) and subtracting redeemed debt in column (c):

$$(a + b - c = d).$$

Total the last five columns for each debt type.

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☐ GO Debt
☒ Revenue Debt
☐ Assessment Debt
☐ Refunded Debt

For The Year Ended December 31, 1996

[illegible]

☐ GO Debt
☐ Revenue Debt
☒ Assessment Debt
☐ Refunded Debt

For The Year Ended December 31, 1996

[illegible]

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(ENTITY NAME)

☐ GO Debt
☐ Revenue Debt
☐ Assessment Debt
☐ Refunded Debt

SCHEDULE OF LONG-TERM DEBT

For Year Ended December 31, 19__

[illegible]

SCHEDULE 11 - CASH ACTIVITY

This schedule provides information about the total cash inflows and outflows of your district. It is used to identify the number of funds and to verify that your financial statements and schedules include all the funds of your district. This schedule is also used to evaluate accounting control over the total receipts and disbursements of your district, to reconcile fund receipts and disbursements with fund revenues and expenses, and to corroborate the amounts of cash shown on any balance sheet.

This schedule must be prepared for all funds. Surplus cash invested that is not attributed to any specific fund is to be reported on a separate line at the end of the fund listings. Beginning and ending balances of cash should not include investment.

The columns headed *Investments Liquidated* and *Investments Acquired* should contain the total amount of investment principal sold or purchased, regardless of whether the transaction was made by receipt, warrant, treasurer's check, interfund transfer, or electronic funds transfer. The amounts in these columns should, therefore, equal the corresponding columns in Schedule 12. Any money received in excess of the purchase price when an investment is liquidated (sold) must be recorded as a receipt or transfer in, not in the *Investments Liquidated* column.

Transfers in and out of the various funds refer to those moneys taken out of one fund and placed into another fund by means other than through the issuance of a warrant and the writing of a receipt. Transfers-in must equal total transfers-out, including transfers to claims/payroll funds.

In those entities that use claims and payroll clearing funds, the cash taken out of the various operating funds and put into the clearing fund will be treated as *Transfers-Out to Claims/Payroll Funds* in the operating funds and as *Transfers-In* in the applicable clearing funds.

All moneys received from outside the municipality, other than the purchase price of investments sold, must be reported in the *Receipts* column. All treasurer's checks issued, other than for the purchase of investments, must be reported in the *Disbursements* column.

LIST EACH FUND ON A SEPARATE LINE IN FUND NUMBER SEQUENCE.

Please provide a line for *Total Fund Cash* then list any *Surplus Cash Invested* as shown in the Schedule 11 example and a line for *Total Net Cash*. This presentation is necessary to prevent any duplication of reporting *Surplus Cash Invested* balances, in both Schedules 11 and 12.

This schedule may be submitted as a computer printout, so long as the required information is provided.

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SAMPLE WATER DISTRICT
(ENTITY NAME)**SCHEDULE OF CASH ACTIVITY****For The Year Ended December 31, 1993**

		CASH ACTIVITY-IN				
FUND NO.	DESCRIPTION	BEGINNING BALANCE	RECEIPTS	INVESTMENTS LIQUIDATED	TRANSFERS-IN	TOTAL AVAILABLE
673.1	Maintenance Fund	\$ 32	\$ 24,994	\$ -	\$ -	\$ 25,026
673.2	Bond Fund	-	69,366	120,751	35,656	225,773
673.11	Bond Reserve	816	7,949	33,112	-	41,877
673.23	1977 ULID Bond	-	7,606	8,587	14,161	30,354
673.31	Construction	-	127,939	1,821,000	-	1,948,939
601	Claims Clearing	-	-	-	125,023	125,023
602	Payroll Clearing	26,500	-	-	569,694	596,194
	Total Fund Cash	27,348	237,854	1,983,450	744,534	2,993,186
XXX	Surplus Cash Invested	(4,200)	-	12,650	-	8,450
	TOTAL NET CASH	23,148	237,854	1,996,100	744,534	3,001,636

SAMPLE WATER DISTRICT
(ENTITY NAME)

SCHEDULE OF CASH ACTIVITY

For The Year Ended December 31, 1993

CASH ACTIVITY-OUT						
FUND NO.	INVESTMENTS ACQUIRED	TRANSFERS OUT TO CLAIMS/PAYROLL	OTHER TRANSFERS	DISBURSEMENTS	TOTAL USED	ENDING BALANCE
673.1	\$ -	\$ -	\$14,806	\$ 5,200	\$ 20,006	\$ 5,020
673.2	96,505	-	-	104,250	200,755	25,018
672.11	32,464	-	-	-	32,464	9,413
673.23	22,729	-	-	-	22,729	7,625
673.31	1,046,493	694,717	35,011	-	1,776,221	172,718
601	-	-	-	121,023	121,023	4,000
602	-	-	-	590,094	590,094	6,100
	1,198,191	694,717	49,817	820,567	2,763,292	229,894
XXX	15,200	-	-	-	15,200	(6,750)
	1,213,391	694,717	49,817	820,567	2,778,492	223,144

MCAG NO. ____

Schedule 11
Page ____ of ____

(ENTITY NAME)

SCHEDULE OF CASH ACTIVITY

For The Year Ended December 31, 19__

[illegible]

MCAG NO. ____

Schedule 11
Page ____ of ____

(ENTITY NAME)

SCHEDULE OF CASH ACTIVITY

For The Year Ended December 31, 19__

[illegible]

SCHEDULE 12 - INVESTMENT ACTIVITY

This schedule provides information about the total investment activity of the district. It is used to corroborate the investment balances shown on any balance sheet and to evaluate accounting control over investments. This schedule is also used to determine whether interest revenue is properly reported on your financial statements.

Do not report interest earnings or accruals on this schedule, except when reinvested.

This schedule must be prepared for all funds. Investments of cash surplus are not considered to be investments of a specific fund, therefore, they are listed on a separate line at the end of the fund investment listings.

LIST EACH FUND ON A SEPARATE LINE IN FUND NUMBER SEQUENCE.

Please provide a line for *Total Fund Investments* and a line for *Total All Investments*. (See Schedule 12 example.) Also note that the columns headed *Investments Liquidated* and *Investments Acquired* should equal the corresponding column amounts on Schedule 11.

This schedule may be submitted as a computer printout, as long as the required information is provided.

